



May 2, 2015

Ms. Janece L. Maez  
Assistant Superintendent - Business and Fiscal Services  
Chief Financial Officer  
Santa Monica-Malibu Unified School District  
1651 Sixteenth Street  
Santa Monica, CA 90404

Re: Santa Monica-Malibu Unified School District ("District") GASB 45 Valuation

Dear Ms. Maez:

This report sets forth the results of our GASB 45 actuarial valuation of the District's retiree health insurance program as of July 1, 2015.

In June, 2004 the Governmental Accounting Standards Board (GASB) issued its final accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the District to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. The District must obtain actuarial valuations of its retiree health insurance program under GASB 43/45 not less frequently than once every two years.

To accomplish these objectives the District selected Demsey, Filliger and Associates (DF&A) to perform an actuarial valuation of the retiree health insurance program as of July 1, 2015. This report may be compared with the valuation performed by DF&A as of July 1, 2013, to see how the liabilities have changed since the last valuation. We are available to answer any questions the District may have concerning the report.

### **Financial Results**

We have determined that the amount of actuarial liability for District-paid retiree benefits is \$64,713,011 as of July 1, 2015. This represents the present value of all benefits expected to be paid by the District for its current and future retirees. If the District were to place this amount in a fund earning interest at the rate of 4.0% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

This includes benefits for 383 retirees as well as 1,363 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

When we apportion the \$64,713,011 into past service and future service components under the Projected Unit Credit Cost Method, the past service liability (or "Accrued Liability") component is \$36,397,922 as of July 1, 2015. This represents the present value of all benefits earned to date assuming that an employee earns retiree healthcare benefits ratably over his or her career. The \$36,397,922 is comprised of liabilities of \$26,691,756 for active employees and \$9,706,166 for retirees. Because the District has not established an irrevocable trust for the pre-funding of retiree healthcare benefits, the Unfunded Accrued Liability (called the UAL, equal to the AL less Assets) is also \$36,397,922.

We have determined that Santa Monica-Malibu Unified School District's "Annual Required Contributions", or "ARC", for the fiscal year 2015-16, is \$4,254,125. The \$4,254,125 is comprised of the present value of benefits accruing in the current year, called the "Service Cost", and a 30-year amortization of the UAL. We estimate that the District will pay approximately \$1,038,962 for the 2015-16 fiscal year in healthcare costs for its retirees, so the difference between the accrual accounting expense (ARC) and pay-as-you-go is an increase of \$3,215,163.

There are two adjustments to the ARC that are required in order to determine the District's Annual OPEB Cost (AOC) for the 2015-16 fiscal year. We have calculated these adjustments based on an estimated Net OPEB Obligation (NOO) of \$10,336,546 as of June 30, 2015, resulting in an AOC for 2015-16 of \$4,069,824.

We show these numbers in the table on the next page and in Exhibit II. All amounts are net of expected future retiree contributions, if any.

**Santa Monica-Malibu Unified School District**  
**Annual Liabilities and Expense under**  
**GASB 45 Accrual Accounting Standard**  
**Projected Unit Credit Cost Method**

Item	Amounts for Fiscal 2015-16
Present Value of Future Benefits (PVFB)	
Active	\$55,006,845
Retired	<u>9,706,166</u>
<b>Total: PVFB</b>	<b>\$64,713,011</b>
Accrued Liability (AL)	
Actives	\$26,691,756
Retired	<u>9,706,166</u>
<b>Total: AL</b>	<b>\$36,397,922</b>
Assets	<u>(0)</u>
<b>Total: Unfunded AL</b>	<b>\$36,397,922</b>
Annual Required Contributions (ARC)	
Service Cost At Year-End	\$2,149,230
30-year Amortization of Unfunded AL	<u>2,104,895</u>
<b>Total: ARC</b>	<b>\$4,254,125</b>
Adjustments to ARC	
Interest on Net OPEB Obligation*	413,462
Adjustment to ARC*	<u>(597,763)</u>
<b>Total: Annual OPEB Cost (AOC) for 2015-16</b>	<b>\$4,069,824</b>

\*Amounts based on estimated June 30, 2015 Net OPEB Obligation of \$10,336,546.

The ARC of \$4,254,125, shown above, should be used for both the 2015-16 and 2016-17 fiscal years, but the Annual OPEB Cost for both years must include an adjustment based on the Net OPEB Obligation (NOO) as reported in the prior financial statement, which is not known precisely in advance.

When the District begins preparation of the June 30, 2015 government-wide financial statements, DF&A will provide the District and its auditors with complimentary assistance in preparation of footnotes and required supplemental information for compliance with GASB 45 (and GASB 43, if applicable). Please note the footnote on page 6 of this report regarding the recommended adjustment to employer contribution to be made when preparing the OPEB footnote.

## Differences from Prior Valuation

The most recent prior valuation was completed by DF&A as of July 1, 2013. The Accrued Liability as of that date was \$25,587,443, compared to \$36,397,922 on July 1, 2015. This Accrued Liability (AL) is for District-paid benefits only; that is, it is net of expected future retiree contributions. In this section, we provide a reconciliation between the 2013 AL and the 2015 AL, so that it is possible to track the numbers from one actuarial report to the next.

Several factors have caused the AL to change since 2013. The passage of time increases the AL as the employees accrue more service and get closer to receiving benefits. There are actuarial gains/losses from one valuation to the next, and changes in actuarial assumptions and methodology for the current valuation. The most important of these factors were as follows:

1. We increased the initial healthcare trend rate from 6% to 8% to better reflect our expectations of average healthcare claim cost increases over the next several years. This change increased the AL by \$436,067.
2. There was a gain (a decrease in AL) of \$1,622,091 due to increases in premiums less than expected.
3. There was a loss (an increase in AL) of \$82,859 due to an increase in the PERS Health administration fee from 0.25% of premium to 0.34% of premium.
4. We included the "implicit subsidy" as required by Actuarial Standard of Practice Number 6 (ASOP 6). Please see page 8 for further details. This change increased the AL by \$6,629,317.
5. There was a net census loss (an increase in AL) of \$2,774,528 from demographic experience (mortality, turnover, and retirement rates) different from assumed, including a 24% increase in the number of active employees covered by the valuation.

The changes to the AL since the July 1, 2013 valuation may be summarized as follows:

<b>Change to AL</b>	<b>AL</b>
AL as of 7/1/13	\$25,587,443
Passage of time	2,509,799
Change in trend rates	436,067
Increase in premiums less than expected	(1,622,091)
Change in PERS administrative fee	82,859
Inclusion of implicit subsidy	6,629,317
Census loss (retirement, turnover, mortality)	2,774,528
<b>AL as of 7/1/15</b>	<b>\$36,397,922</b>

## **Funding Schedules**

There are many ways to approach the pre-funding of retiree healthcare benefits. In the *Financial Results* section, we determined the annual expense for all District-paid benefits. The expense is an orderly methodology, developed by the GASB, to account for retiree healthcare benefits. However, the GASB 45 expense (ARC) has no direct relation to amounts the District may set aside to pre-fund healthcare benefits.

The table on the next page provides the District with three alternative schedules for funding (as contrasted with expensing) retiree healthcare benefits. The schedules all assume that the retiree fund earns, or is otherwise credited with, 4.0% per annum on its investments, and that benefits are paid mid-year. A starting fund balance of \$3,000,000 as of July 1, 2015 is used for the projection.

The schedules are:

1. A level contribution amount for the next 20 years.
2. A level percentage of the Unfunded Accrued Liability (UAL).
3. A constant percentage (3%) increase in contribution each year for the next 20 years.

We provide these funding schedules to give the District a sense of the various alternatives available to it to pre-fund its retiree healthcare obligation. The three funding schedules are simply three different examples of how the District may choose to spread its costs.

By comparing the schedules, you can see the effect that pre-funding has on the total amount the District will eventually have to pay. Because of investment earnings on fund assets, the earlier contributions are made, the less the District will have to pay in the long run. Of course, the advantages of pre-funding will have to be weighed against other uses of the money.

The table on the following page shows the required annual outlay under the pay-as-you-go method and each of the above schedules. **The three funding schedules include the “pay-as-you-go” costs; therefore, the amount of pre-funding is the excess over the “pay-as-you-go” amount.**

We exclude the implicit subsidy from these funding schedules because we do not recommend that the District pre-fund for the full age-adjusted costs reflected in the GASB 45 liabilities shown in the first section of this report. If the District's premium structure changes in the future to explicitly charge under-age 65 retirees for the full actuarial cost of their benefits, this change will be offset by a lowering of the active employee rates (all else remaining equal), resulting in a direct reduction in District operating expenses on behalf of active employees from that point forward. For this reason among others, we believe that pre-funding of the full GASB liability would be redundant.

**Santa Monica-Malibu Unified School District**

**Sample Funding Schedules (Closed Group)**

**Beginning Fund Balance of \$3,000,000 as of July 1, 2015**

<b>Fiscal Year</b>	<b>Pay-as-you-go</b>	<b>Level Contribution for 20 years</b>	<b>Level % of Unfunded Liability</b>	<b>Constant Percentage Increase</b>
2015	\$1,038,962	\$3,421,235	\$5,353,721	\$2,646,093
2016	1,109,435	3,421,235	4,665,282	2,725,476
2017	1,197,651	3,421,235	4,095,221	2,807,240
2018	1,282,986	3,421,235	3,625,139	2,891,458
2019	1,401,850	3,421,235	3,237,955	2,978,201
2020	1,475,939	3,421,235	2,922,075	3,067,547
2021	1,567,006	3,421,235	2,661,943	3,159,574
2022	1,664,378	3,421,235	2,449,194	3,254,361
2023	1,732,803	3,421,235	2,275,974	3,351,992
2024	1,848,985	3,421,235	2,133,359	3,452,552
2025	1,999,737	3,421,235	2,018,969	3,556,128
2026	2,138,312	3,421,235	1,929,608	3,662,812
2027	2,285,125	3,421,235	1,859,551	3,772,696
2028	2,458,262	3,421,235	1,805,264	3,885,877
2029	2,527,447	3,421,235	1,764,709	4,002,454
2030	2,674,641	3,421,235	1,729,053	4,122,527
2031	2,802,662	3,421,235	1,701,020	4,246,203
2032	2,879,187	3,421,235	1,677,488	4,373,589
2033	2,983,712	3,421,235	1,654,475	4,504,797
2034	3,106,917	3,421,235	1,632,628	4,639,941
2035	3,072,296	0	1,611,851	0
2036	3,110,457	0	1,584,706	0
2037	3,191,690	0	1,555,189	0
2038	3,271,221	0	1,524,948	0
2039	3,362,033	0	1,493,452	0
2040	3,343,831	0	1,460,683	0
2041	3,312,448	0	1,422,849	0
2042	3,298,167	0	1,380,396	0
2043	3,294,722	0	1,334,605	0
2044	3,299,416	0	1,286,249	0
2045	3,224,446	0	1,235,823	0
2046	3,208,175	0	1,181,880	0
2047	3,097,650	0	1,126,395	0
2048	3,019,985	0	1,068,049	0
2049	2,972,360	0	1,008,319	0
2050	2,883,854	0	948,138	0
2055	2,392,600	0	625,746	0
2060	1,959,204	0	294,058	0
2065	1,433,215	0	120,321	0
2070	907,532	0	49,300	0

Note to auditor: when calculating the employer OPEB contribution for the year ending on the statement date, we recommend multiplying the actual District-paid premiums on behalf of retirees by a factor of 1.2909 to adjust for the implicit subsidy.

## **Actuarial Assumptions**

In order to perform the valuation, the actuary must make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions we have used for similar valuations, modified as appropriate for the District. For example, turnover rates are taken from a standard actuarial table, T-5, without adjustment. This matches the District's historic turnover patterns. Retirement rates were also based on recent District retirement patterns. Both assumptions should be reviewed in the next valuation to see if they are tracking well with experience.

The discount rate of 4.0% is based on our best estimate of expected long-term plan experience. It is in accordance with our understanding of the guidelines for selection of this rate under GASB 45 for unfunded plans such as the District's. The healthcare trend rates are based on our analysis of recent District experience and our knowledge of the general healthcare environment.

A complete description of the actuarial assumptions used in the valuation is set forth in the "Actuarial Assumptions" section.

## **Projected Annual Pay-as-you go Costs**

As part of the valuation, we prepared a projection of the expected annual cost to the District to pay benefits on behalf of its retirees on a pay-as-you-go basis. These numbers are computed on a closed group basis, assuming no new entrants, and are net of retiree contributions. Projected pay-as-you-go costs for selected years are as follows:

<b>FYB</b>	<b>Pay-as-you-go</b>
2015	\$1,038,962
2016	1,109,435
2017	1,197,651
2018	1,282,986
2019	1,401,850
2020	1,475,939
2025	1,999,737
2030	2,674,641
2035	3,072,296
2040	3,343,831
2045	3,224,446
2050	2,883,854
2055	2,392,600
2060	1,959,204
2065	1,433,215
2070	907,532

## **Valuation of Implicit Subsidy**

Since the District's implementation of GASB 45, we have availed ourselves of the "community rating" exception to PERS Health (PEMHCA). This exception has permitted an actuary to ignore the effects of the use of a blended premium for active employees and early retirees (those under age 65) as is the case for PEMHCA. This unique treatment of PEMHCA resulted in actuarial estimates for PEMHCA agencies that were significantly lower than for most other insurance providers, and has been prevailing practice among California-based actuarial firms. The Actuarial Standards Board has amended Actuarial Standard of Practice Number 6 (ASOP 6) to virtually eliminate this practice for valuations beginning with the July 1, 2015 fiscal year. As shown on page 4 of this report, the implicit subsidy for the District is approximately \$6.6 million. The new GASB OPEB standards, expected to take effect in 2017, contain guidance that will require actuaries to continue to include this subsidy, where applicable, for all future OPEB valuations. Please feel free to call us at (818) 718-1266 if you would like further explanation of this change.

## **Breakdown by Employee/Retiree Group**

Exhibit I, attached at the end of the report, shows a breakdown of the GASB 45 components (ARC, AL, Service Cost, and PVFB) by bargaining unit (or non-represented group) and separately by active employees (future retirees) and current retirees.

## **Net OPEB Obligation (NOO) and Annual OPEB Cost (AOC)**

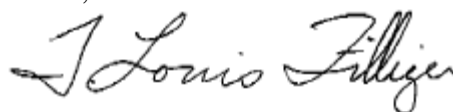
Exhibit II shows a development of the District's Net OPEB Obligation ("NOO") as of June 30, 2008 through June 30, 2015, and the Annual OPEB Cost ("AOC") for the fiscal years 2008-09 through 2015-16. The NOO as of June 30, 2015 and the AOC for 2015-16 are estimates as of the date this report is being published.

## **Certification**

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the "Actuarial Certification" section at the end of the report.

We have enjoyed working with the District on this report, and are available to answer any questions you may have concerning any information contained herein.

Sincerely,  
DEMSEY, FILLIGER AND ASSOCIATES



T. Louis Filliger, FSA, EA, MAAA  
Partner & Actuary



## Benefit Plan Provisions

### Active Employee Coverage

The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the District through contributions of amounts up to the premiums for either of the PEMHCA HMOs (including dependent coverage), plus coverage under one of the District's dental plans (Delta Dental and Delta Care). This contribution includes the statutory minimum (\$122.00 per month for 2015) that the District designates for PEMHCA. The \$122.00 per month is scheduled by law to be indexed with medical inflation (CPI) for years 2016 and thereafter. The District also contributes the PEMHCA administrative fee of 0.34% of premium for all active employees.

### Post-Retirement Coverage

The District also offers PEMHCA to its retirees. The District contributes the statutory minimum (\$122.00 per month for 2015) as well as the administrative fee of 0.34% of premium to PEMHCA on behalf of each retiree eligible for and participating in PEMHCA. Furthermore, the District makes supplemental contributions towards eligible retirees' premiums until age 65 according to provisions of the District's agreements with its various employee groups, as described below.

Certificated and Management employees with at least 10 years of full-time equivalent service and age 55 or over may retire with District-paid medical and dental benefits. The Classified agreement does not specify a minimum age and service for retirement; for purposes of this valuation, we have assumed that Classified will be subject to the same provisions as the other groups. The District contribution each year is set equal to the Blue Shield HMO or Kaiser HMO retiree-only premium plus the retiree-only premium for Delta Dental or Delta Care Dental. For retirees electing PERS Choice or PERS Care, the District contribution is limited to the Kaiser retiree-only premium. The supplemental District contributions end at age 65, at which point retirees may elect to continue coverage for their further lifetime under PEMHCA and receive the statutory minimum District contribution (currently \$122.00/month).

The following table shows January 1, 2015 monthly PERS Health (PEMHCA) premiums for retirees within the Los Angeles Area region, and Delta Dental premiums for all areas:

	Blue Shield HMO	Kaiser HMO	PERS Choice PPO	PERS Care PPO	Delta Dental
<u>Basic Plan</u>					
Retiree	\$517.87	\$521.18	\$585.18	\$647.11	\$61.34
Retiree + 1	1,035.74	1,042.36	1,170.36	1,294.22	N/A
Family	1,346.46	1,355.07	1,521.47	1,682.49	N/A

**Valuation Data**

Age distribution of retirees receiving District-paid health benefits

Age	Medical & Dental	Medical Only	Dental Only	Total
Under 50	0	0	0	0
50-54	1	0	0	1
55-59	2	2	4	8
60-64	45	9	9	63
65-69	0	89	0	89
70-74	0	93	0	93
75-79	0	51	0	51
80-84	0	33	0	33
85-89	0	38	0	38
90+	0	7	0	7
All Ages	48	322	13	383
Average Age	62.48	74.17	61.69	72.28

Age/Years of service distribution of active employees included in the valuation

Years->	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
<u>Age</u>									
20-24	5								5
25-29	70	10	3						83
30-34	79	53	13	5					150
35-39	41	52	67	31	5				196
40-44	27	42	47	65	11	0			192
45-49	35	43	38	52	30	8			206
50-54	25	19	30	40	32	17	2		165
55-59	21	16	26	41	39	17	9	5	174
60-64	8	15	14	28	18	22	10	11	126
65-69	5	6	6	14	11	10	2	6	60
70+	0	1	0	2	1	1	1	0	6
Total	316	257	244	278	147	75	24	22	1,363

Average Age: 46.17  
Average Service 12.36

## Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date:	July 1, 2015
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30-year level dollar, open period
Discount Rate:	4.0% per annum
Return on Assets:	4.0% per annum
Pre-retirement Turnover:	According to the Crocker-Sarason Table T-5 less mortality, without adjustment. Sample rates are as follows:

Age	Turnover (%)
25	7.7%
30	7.2
35	6.3
40	5.2
45	4.0
50	2.6
55	0.9

Pre-retirement Mortality: RP-2000 Combined Mortality, static projection to 2012 by scale AA. Sample deaths per 1,000 employees are as follows:

Age	Males	Females
25	0.33	0.18
30	0.42	0.23
35	0.73	0.42
40	0.98	0.59
45	1.29	0.93
50	1.72	1.36
55	2.88	2.47
60	5.56	4.76

Post-retirement Mortality: RP-2000 Combined Mortality, static projection to 2012 by scale AA. Sample deaths per 1,000 retirees are as follows:

Age	Males	Females
60	5.56	4.76
65	10.75	9.14
70	18.52	15.77
75	31.95	25.52
80	57.06	42.17
85	101.80	72.05
90	174.80	127.02

<b>Actuarial Assumptions (Continued)</b>
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Claim Cost per Retiree or Spouse:

Age	Medical/Rx	Dental
50	\$7,468	\$751
55	8,657	751
60	10,036	751
64	11,295	751
65+	4,202	0

Retirement Rates:

Age	Percent Retiring*
55-58	5.0%
59	8.0
60	10.0
61	12.0
62	15.0
63	18.0
64	20.0
65	100.0

\* Of those having met the eligibility for District-paid supplemental benefits. The percentage refers to the probability that an active employee who has reached the stated age will retire within the following year.

Trend Rates:

Year	Medical/Rx	Dental
2015	8.0%	4.0%
2016	7.0	4.0
2017	6.0	4.0
2018+	5.0	4.0

Percent Waiving Coverage: 30% of future retirees (applies to PERS statutory minimum only)

Medical Inflation: 4.0% per year (used to project PERS statutory minimum)

Administrative Fees: 0.34% of PEMHCA premium

Percent of Retirees with Spouses:

Future Retirees: 50% of future retirees were assumed to have spouses at the time of retirement. Female spouses assumed three years younger than male spouses.

Current Retirees: Based on actual spousal data.

## Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Santa Monica-Malibu Unified School District ("District") as of July 1, 2015.

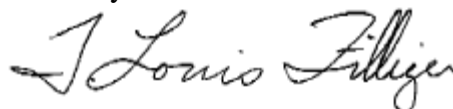
The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District in April, 2015. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 43 and GASB 45, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits. We have assumed no post-valuation mortality improvements, consistent with our belief that there will be no further significant, sustained increases in life expectancy in the United States over the projection period covered by the valuation.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:



T. Louis Filliger, FSA, EA, MAAA Date: 5/2/15  
Partner & Actuary

**Santa Monica-Malibu Unified School District**  
**GASB 45 Valuation Results By Employee Group**

	<b>7/1/2015</b> <b>Valuation Results</b> <b><u>Certificated</u></b>	<b>7/1/2015</b> <b>Valuation Results</b> <b><u>Classified</u></b>	<b>7/1/2015</b> <b>Valuation Results</b> <b><u>Management</u></b>	<b>7/1/2015</b> <b>Valuation Results</b> <b><u>Total All Groups</u></b>
District-paid Present Value of Benefits:				
Actives	\$ 27,510,561	\$ 23,561,545	\$ 3,934,739	\$ 55,006,845
Retirees	<u>5,699,808</u>	<u>3,158,943</u>	<u>847,415</u>	<u>9,706,166</u>
Total District-Paid PVFB:	\$ 33,210,369	\$ 26,720,488	\$ 4,782,154	\$ 64,713,011
District-paid Accrued Liability:				
Actives	\$ 13,323,858	\$ 11,585,272	\$ 1,782,626	\$ 26,691,756
Retirees	<u>5,699,808</u>	<u>3,158,943</u>	<u>847,415</u>	<u>9,706,166</u>
Total District-Paid AL:	\$ 19,023,666	\$ 14,744,215	\$ 2,630,041	\$ 36,397,922
Assets*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District-paid Unfunded Accrued Liability ("UAL")	<b>\$ 19,023,666</b>	<b>\$ 14,744,215</b>	<b>\$ 2,630,041</b>	<b>\$ 36,397,922</b>
<u>GASB 45 ARC ("Annual Required Contributions")</u>				
Service Cost at Year-end	\$ 1,000,262	\$ 979,268	\$ 169,700	\$ 2,149,230
30-year amortization of District-paid UAL	<u>1,100,141</u>	<u>852,659</u>	<u>152,095</u>	<u>2,104,895</u>
Total ARC	<b>\$ 2,100,403</b>	<b>\$ 1,831,927</b>	<b>\$ 321,795</b>	<b>\$ 4,254,125</b>

\*Assets, if any, allocated in proportion to AL for illustration purposes only; GASB 45 does not provide authority for this calculation.

	Amounts
<b>Net OPEB Obligation 6/30/2008</b>	-
ARC for 2008-9	2,608,733
Interest on Net OPEB Obligation	-
Amortization adjustment to ARC	-
<b>Annual OPEB Cost 2008-9</b>	<b>2,608,733</b>
Employer Contribution	(897,971)
<b>Net OPEB Obligation 6/30/2009</b>	<b>1,710,762</b>
ARC for 2009-10	2,305,698
Interest on Net OPEB Obligation	85,538
Amortization adjustment to ARC	(111,288)
<b>Annual OPEB Cost 2009-10</b>	<b>2,279,948</b>
Employer Contribution	(891,579)
Change in Net OPEB Obligation 2009-10	1,388,369
Net OPEB Obligation 6/30/2009	1,710,762
<b>Net OPEB Obligation 6/30/2010</b>	<b>3,099,131</b>
ARC for 2010-11	2,305,698
Interest on Net OPEB Obligation	154,957
Amortization adjustment to ARC	(201,603)
<b>Annual OPEB Cost 2010-11</b>	<b>2,259,052</b>
Employer Contribution	(999,382)
Change in Net OPEB Obligation 2010-11	1,259,670
Net OPEB Obligation 6/30/2010	3,099,131
<b>Net OPEB Obligation 6/30/2011</b>	<b>4,358,801</b>
ARC for 2011-12	2,556,977
Interest on Net OPEB Obligation	217,940
Amortization adjustment to ARC	(283,546)
<b>Annual OPEB Cost 2011-12</b>	<b>2,491,371</b>
Employer Contribution	(1,067,359)
Change in Net OPEB Obligation 2011-12	1,424,012
Net OPEB Obligation 6/30/2011	4,358,801
<b>Net OPEB Obligation 6/30/2012</b>	<b>5,782,813</b>
ARC for 2012-13	2,556,977
Interest on Net OPEB Obligation	289,141
Amortization adjustment to ARC	(376,182)
<b>Annual OPEB Cost 2012-13</b>	<b>2,469,936</b>
Employer Contribution	(1,058,938)
Change in Net OPEB Obligation 2012-13	1,410,998
Net OPEB Obligation 6/30/2012	5,782,813
<b>Net OPEB Obligation 6/30/2013</b>	<b>7,193,811</b>
ARC for 2013-14	2,744,658
Interest on Net OPEB Obligation	287,753
Amortization adjustment to ARC	(416,019)
<b>Annual OPEB Cost 2013-14</b>	<b>2,616,392</b>
Employer Contribution	(1,023,562)
Change in Net OPEB Obligation 2013-14	1,592,830
Net OPEB Obligation 6/30/2013	7,193,811
<b>Net OPEB Obligation 6/30/2014</b>	<b>8,786,641</b>
ARC for 2014-15	2,744,658
Interest on Net OPEB Obligation	351,466
Amortization adjustment to ARC	(508,132)
<b>Annual OPEB Cost 2014-15</b>	<b>2,587,992</b>
Employer Contribution (estimated)	(1,038,087)
Change in Net OPEB Obligation 2014-15	1,549,905
Net OPEB Obligation 6/30/2014	8,786,641
<b>Net OPEB Obligation 6/30/2015 estimated</b>	<b>10,336,546</b>
ARC for 2015-16	4,254,125
Interest on Net OPEB Obligation	413,462
Amortization adjustment to ARC	(597,763)
<b>Annual OPEB Cost 2015-16 estimated</b>	<b>4,069,824</b>